



ISO 9001:2000, 14000:2004 &
OHSAS 18000:2007 CERTIFIED

WAH NOBEL CHEMICALS LTD

First Quarterly
Financial Statements
(Unaudited)
September 30, 2012

VISION STATEMENT

The Company's vision is to be the market leader and serve the needs of customers with total dedication, supply them the current and anticipate their future needs, create value for customers, shareholders, employees and the community

CORPORATE MISSION

To meet the current needs of its customers and anticipate their future needs.

To maintain close and direct contacts with the customers to ensure their complete satisfaction.

Constantly improve the quality of all our activities through operational excellence.

To give fullest regard to the safety and health of employees and customers.

To promote professionalism at all levels through constant education, training and development of human resources.

To safeguard the environment and the community from pollution.

To create a conducive work environment and inspire people to perform to their fullest potential and to reward talent.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lt. Gen. Muhammad Ahsan Mahmood, : Chairman
HI (M)
Mr. Torbjorn Saxmo : Vice Chairman
Mr. Feroze Khan Malik : Director
Mr. Muhammad Nawaz Tishna : Director (N.I.T. Nominee)
Mr. Riaz Ahmad : Director
Mr. Muhammad Asif : Director
Mr. Muhammad Rizwan : Director

CHIEF EXECUTIVE : Syed Naseem Raza

AUDIT COMMITTEE

Mr. Riaz Ahmad : Chairman
Mr. Feroze Khan Malik : Member
Mr. Muhammad Rizwan : Member

HUMAN RESOURCE & REMUNERATION (HR&R) COMMITTEE

Mr. Riaz Ahmad : Chairman
Mr. Muhammad Rizwan : Member
Syed Naseem Raza : Member

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

AUDITORS : Mr. Tanveer Elahi
: Anjum Asim Shahid Rehman
Chartered Accountants

LEGAL ADVISORS : The Law Firm of Basit Musheer

SHARES REGISTRAR : Ilyas Saeed Associates (Pvt.)
Ltd., Management Consultants,
Office # 26, 2nd Floor, Rose Plaza,
I-8 Markaz, Islamabad.
Tel: 051-4102626-7, Fax: 051-4102628
Email: iilyas@hotmail.com

BANKERS : MCB Bank Limited
Allied Bank of Pakistan Limited
Bank Al-Habib Limited

REGISTERED OFFICE : G.T. Road, Wah Cantt.

PHONES : (051) 5568760, 4545243-6 (4 Lines)
(051) 9314101-21 (21 Lines) Ext. 22236

FAX : (051) 4545241, (051) 4535862

E.MAIL : wahnobel@comsats.net.pk

WEBSITE : www.wahnobel.com/wnc.htm

FACTORY : Wah Cantt.

WAH NOBEL CHEMICALS LTD

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present their report and the un-audited accounts of your company for the 1st quarter ended September 30, 2012.

The company has been able to achieve net sales revenue of Rs.253.774 million during the period under review vis-à-vis Rs.215.793 Million an increase of Rs.37.981 Million i.e about 18% over previous corresponding period. The management of the company made tenacious efforts to maintain the profitability through increase in sales volume and efficient working capital management.

The company has earned after-tax profit of Rs.21.174 Million during the 1st quarter of financial year 2012-13 against after-tax profit of Rs.18.326 Million earned in the corresponding period of the previous year.

As regards Vend fee and Permit fee, presently the case is pending with the learned Supreme Court of Pakistan. In view of the merits of the case and previous favourable decision by the Sindh High Court, the management is expecting a favourable decision from the apex court and is making necessary efforts to continue as a going concern.

The management of the company looks forward to the future with confidence and envisages better performance in the next quarters.

The Directors wish to express their appreciation of the strenuous efforts and hard work of the management, officers, staff and workers.

On behalf of the Board

Wah Cantt.
Dated: 31.10.2012

**(SYED NASEEM RAZA)
CHIEF EXECUTIVE**

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2012

		September 30, 2012	Audited June 30, 2012
	Note	(Rupees in '000')	
NON CURRENT ASSETS			
Property, Plant and Equipment	4	91,344	92,989
Long Term Investment	5	36,165	36,165
		127,509	129,154
CURRENT ASSETS			
Stores, spares and loose tools		40,841	41,938
Stock in trade		109,538	111,785
Trade debts	6	252,716	218,068
Advances		7,646	6,166
Trade deposits		40	40
Accrued interest income		-	299
Other receivables		6,094	7,019
Short-term Investment		2,583	2,583
Cash and bank balances		71,009	103,739
		490,467	491,637
Total assets		617,976	620,791
Equity			
Authorized capital:			
20,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital:			
9,000,000 (June30, 2012: 9,000,000) ordinary shares of			
Rs.10/- each, fully paid up in cash			
		90,000	90,000
Capital reserve		944	944
General reserve		260,000	260,000
Unappropriated profit		100,374	79,200
Total equity		451,318	430,144
Liabilities			
Non current liabilities			
Deferred tax liability		4,497	4,903
Accumulated compensated absences		4,148	3,852
		8,645	8,755
CURRENT LIABILITIES			
Trade and other payables		156,146	169,874
Due to associated companies		-	2
Accrued mark-up		145	-
Taxation (Net)		1,722	12,016
		158,013	181,892
Total liabilities		166,658	190,646
		617,976	620,791
Contingencies and Commitments			
	7		

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 31.10.2012

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	July - Sep 2012	July - Sep 2011
(Rupees in '000')		
Manufactured goods		
Gross sales	294,338	249,895
Sales tax	(40,564)	(34,102)
Net sales	253,774	215,793
Cost of sales	(206,695)	(176,350)
Gross profit	47,079	39,443
Operating expenses		
Administrative and general expenses	(2,716)	(2,321)
Selling and distribution expenses	(10,172)	(8,930)
Other Operating Income	2,344	382
Operating profit	36,535	28,574
Financial and other charges:		
Finance Cost	(177)	(53)
Other expenses	(2,631)	(2,043)
Profit before taxation	33,727	26,478
Provision for taxation	(12,553)	(8,152)
Profit after taxation	21,174	18,326
Other comprehensive income for the period	-	-
Total comprehensive income for the period	21,174	18,326
 Earning Per Share - basic and diluted	 Rs. 2.35	 Rs. 2.04

Appropriations have been reflected in the statement of changes in equity

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 31.10.2012

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	September 30, 2012	September 30, 2011
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	33,727	26,478
Adjustment for non cash charges and other items:		
Depreciation	1,673	1,538
Bank interest	(975)	-
Financial and other charges	177	53
Allocation of Workers' Profit Participation Fund (WPPF)	1,811	1,422
Workers' Welfare Fund (WWF)	688	540
Provision for employee's gratuity fund	300	200
Provision for accumulated compensated absences	300	200
Interest on Term Deposit Receipts	-	(382)
	3,974	3,571
Changes in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	1,097	(2,520)
Stock in trade	2,247	(24,675)
Trade debts	(34,648)	(9,453)
Advances	(1,480)	2,992
Other receivables	926	(6,678)
Increase/(decrease) in current liabilities:		
Trade and other payables	(16,531)	1,123
	(48,389)	(39,211)
Cash generated from operations	(10,688)	(9,162)
Payment for:		
Taxation	(23,253)	(5,729)
Financial and other charges paid	(32)	(112)
WPPF paid	-	(4,000)
Workers' welfare fund	-	(2,384)
Bank interest	975	-
Compensated absences paid	(3)	-
	(22,313)	(12,225)
Net cash generated from/(used in) operating activities	(33,001)	(21,387)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(28)	-
Interest on Term Deposit Receipts	299	479
Net cash used in investing activities	271	479
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (used in)/generated from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(32,730)	(20,908)
Cash and cash equivalents at beginning of the period	103,739	71,904
Cash and cash equivalents at end of the period	71,009	50,996

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

DIRECTOR

CHIEF EXECUTIVE

WAH CANTT DATED 31.10.2012

WAH NOBEL CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Revenue reserves				Total
	Issued Subscribed and paid-up share capital	Capital reserve - share premium	General reserve	Unappropriated profit	
Balance as at July 1, 2011	90,000	944	233,000	77,467	401,411
Total comprehensive income for the period	-	-	-	18,326	18,326
Balance as at September 30, 2011	90,000	944	233,000	95,793	419,737
Balance as at July 1, 2012	90,000	944	260,000	79,200	430,144
Total comprehensive income for the period	-	-	-	21,174	21,174
Balance as at September 30, 2012	90,000	944	260,000	100,374	451,318

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

DIRECTOR

CHIEF EXECUTIVE

WAH.CANTT.DATED.31.10.2012

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

1. STATUS AND NATURE OF BUSINESS

1.1 Wah Nobel Chemicals Limited (the Company) was incorporated in Pakistan on May 31, 1983 as a public limited company under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The holding company of the Company is Wah Nobel (Private) Limited and the ultimate holding company is Wah Industries Limited. The registered office and manufacturing facilities of the Company are situated in Wah Cantt, Pakistan.

1.2 The principal activity of the Company is to manufacture Formaldehyde and Formaldehyde based liquid resins for use as bonding agent in the chip board, plywood and flush door manufacturing industries. It is also engaged in erection of plants and trading activities.

2. BASIS OF PREPARATION

These condensed interim financial statements are unaudited and are being circulated to the shareholders in compliance with section 245 of the Companies Ordinance, 1984. These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial information do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2012.

3. ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in preparation of these condensed interim financial statements are same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2012.

4. PROPERTY, PLANT AND EQUIPMENT - AT BOOK VALUE

Following is the statement of additions to operating assets during the period / year:

	<u>Un-Audited</u>	<u>Audited</u>
	<u>Sep 30,</u>	<u>June 30,</u>
	<u>2012</u>	<u>2012</u>
	<u>Rupees in '000'</u>	
Opening book value	92,989	100,181
Furniture and Fixture	19	13
Office equipment	-	55
Computer installations	9	
	<u>93,017</u>	<u>100,249</u>
Book value of assets disposed off during the period / year	-	-
Adjustments during the period / year	-	-
Depreciation for the period / year	1,673	7,260
Closing book value	<u>91,344</u>	<u>92,989</u>

WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	<u>Un-Audited</u> Sep 30, 2012	<u>Audited</u> June 30, 2012
5 LONG TERM INVESTMENT		
	Rupees in '000'	
Wah Nobel Acetate Limited		
2,500,000 shares of Rs. 10/- each. (equity held: 8.33%)	25,000	25,000
Share of profit of prior periods	11,165	10,886
Share of Profit / (Loss) of current period / year	-	279
	<u>11,165</u>	<u>11,165</u>
	<u>36,165</u>	<u>36,165</u>
6 TRADE DEBTS		
Considered good	252,716	218,068
Considered doubtful	56,497	56,497
	<u>309,213</u>	<u>274,565</u>
Provision for doubtful debts	<u>(56,497)</u>	<u>(56,497)</u>
	<u>252,716</u>	<u>218,068</u>
7 CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies		
The contingencies reported in the preceding annual financial statements have undergone the following changes:		
7.1.1	The contingent liability of the Company on account of vend fee and permit fee has increased from Rs. 750 million to Rs.760 million on account of further import of Methanol from July 01, 2012 to September 30, 2012.	
	<u>Sep 30,</u> <u>2012</u>	<u>June 30,</u> <u>2012</u>
	Rupees in '000'	
7.2 Commitments in respect of:		
7.2.1 Letters of credit for purchase of stocks	<u>15,376</u>	<u>36,572</u>
7.2.2 Post dated cheques issued in favour of Collector of Customs against custom duties and other levies on Methano kept in bonded Ware house	<u>14,191</u>	<u>7,644</u>
8 RELATED PARTY TRANSACTIONS		
Significant transactions with related parties during the period / year were as follows:		
Expenses incurred (on behalf of)/ by the group companies	<u>(919)</u>	<u>(898)</u>
Management services by holding company	<u>225</u>	<u>900</u>
Sales to associate company	<u>433</u>	<u>405</u>
Purchases from associate company	<u>-</u>	<u>1,051</u>
Dividend paid to the holding company	<u></u>	<u>24,852</u>

**WAH NOBEL CHEMICALS LIMITED
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

9 General

9.1 Figures have been rounded off to the nearest thousand of rupees

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 31, 2012 by the Board of Directors of the Company.

DIRECTOR

WAH CANTT DATED 31.10.2012

CHIEF EXECUTIVE